

DEPARTMENT OF THE ARMY  
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CIVILIAN PERSONNEL  
BULLETIN No. 13-01

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**FEDERAL EMPLOYEES HEALTH BENEFITS**  
**CHILDREN'S EQUITY ACT OF 2000**

The purpose of this bulletin is to inform you of a change affecting enrollment under the Federal Employees Health Benefits (FEHB) Program.

This change is the result of a new law, Public Law 106-394, the "Federal Employees Health Benefits Children's Equity Act of 2000," which was enacted October 30, 2000.

**Background:**

The FEHB law and regulations allow an employee to change enrollment after a change in family status. We consider the issuance of a court or administrative order requiring an employee to provide health benefits for his/her children to be a change in family status allowing an enrollment change.

Although the issuance of such a court/admin order allows an enrollment change, there has been nothing in the FEHB law that actually required an employee to make the change. An employee with such an order in place could refuse to enroll for self and family coverage. While this seemingly violated the court/admin order, it did not violate the FEHB law.

**What the New Law Does:**

Public Law 106-394 requires mandatory self and family coverage for FEHB-eligible employees who do not comply with a court or administrative order to provide health benefits for their children. An employee subject to such an order must enroll in self and family coverage in a plan that provides full benefits to his/her child(ren) in the area where they live or provide documentation that he/she has other health coverage for the children. If the employee does not enroll in an appropriate health plan or provide documentation of other coverage for the children, the agency must enroll the employee for self and

family coverage in the standard option of the Blue Cross and Blue Shield Service Benefit Plan (enrollment code 105).

### **Who Has to Submit the Court/Admin Order?**

The court or administrative order can be submitted by the custodial parent, an attorney for the custodial parent, the State administrative agency that issues the admin order--by whomever. It doesn't matter who submits the order.

### **When Does the Agency Have to Receive the Court/Admin Order?**

Court or administrative orders that were submitted before the enactment of Public Law 106-394 don't "count." For the order to be valid, the agency must have *received* it no earlier than October 30, 2000.

Anyone who submitted a court/admin order relating to health benefits for an employee's children before October 30, 2000, would have to resubmit it.

### **What Does Agency Have to Do with these Orders?**

Agency will review the employee's records to determine whether he/she is eligible for FEHB and, if so, whether he/she is enrolled in a self and family plan that provides full benefits in the location where the children live. If the employee has such coverage, whoever sent in the court/admin order will be notified. A copy of the enrollee's SF 2809 will be sent to the carrier, along with a copy of the court/admin order to notify the carrier of the additional family members being covered under the self and family enrollment.

### **What If the Employee Doesn't Have Self and Family Coverage Or Doesn't Have Coverage That Provides Full Benefits in the Area Where the Children Live?**

If the employee is eligible for FEHB, but doesn't have the appropriate coverage, he/she will be notified that a court order has been received requiring him/her to provide health benefits for his/her children. The employee will be given until ***the end of the pay period following the one in which he/she receives the notice*** to enroll in an appropriate health plan or provide documentation that he/she has other health benefits for the children.

## **What If the Employee Doesn't Enroll or Provide Documentation of Other Coverage by the Due Date?**

If the employee doesn't enroll in an appropriate plan or provide documentation of other coverage for the children, he/she will be enrolled as follows:

### ***If the Employee Is Not Enrolled at All***

If the employee is not enrolled for any FEHB coverage, he/she will be enrolled for self and family coverage in the Standard Option of the Blue Cross and Blue Shield Service Benefit Plan (enrollment code 105).

### ***If the Employee Has Self Only Coverage***

If the employee has a self only enrollment in a fee-for-service plan, enrollment will be changed to self and family in the same option of the same plan.

If the employee has a self only enrollment in an HMO, and the HMO serves the area where the children live, enrollment will be changed to self and family in the same option of the same plan.

If the employee has a self only enrollment in an HMO, and the HMO does *not* serve the area where the children live, enrollment will be changed to self and family in the Blue Cross and Blue Shield Standard Option.

### ***If the Employee Has Self and Family Coverage in an HMO That Doesn't Serve the Area Where the Children Live***

If the employee already has a self and family enrollment, but it's in an HMO that doesn't serve the area where the children live, enrollment will be changed to self and family in the Blue Cross and Blue Shield Standard Option.

## **If the Agency Enrolls an Employee, What Is the Effective Date of the Coverage?**

In most cases the effective date will be the first day of the pay period following the one in which the SF 2809 was completed.

### ***Exception:***

There is one instance in which the enrollment would be retroactive, and that's if the court/admin order specifies an effective date. In this case the enrollment is made retroactive

to the beginning of the pay period that includes that effective date, but *no further back than 2 years*.

**What If the Employee Goes into a Non-pay Status or If the Employee's Pay Is Insufficient to Make the Withholdings?**

The provisions of 5 CFR 890.502(b) apply. However, in this case the employee does not have the option of terminating coverage. The employee must continue the coverage and either make direct premium payments or incur a debt to the Government.

**If the Agency Enrolls an Employee, Can the Employee Later Make Enrollment Changes?**

Yes and no.

During open season or when there's an event allowing an enrollment change, an employee who is subject to a court/admin order can change to a different fee-for-service plan or to an HMO that provides full benefits where the children live.

However, such an employee **cannot** cancel enrollment, change to self only, or change to an HMO that doesn't provide coverage in the area where the children live, as long as the court/admin order is still in effect and the children are eligible under the FEHB Program (unless the employee provides documentation that he/she has other coverage for the children)--not even during open season. This applies whether the employee is enrolled voluntarily or involuntarily. If an SF 2809 making such an enrollment change is received, it will not be processed. If it's processed by mistake, it will be voided. The employee will be notified that he/she cannot make the change and that the existing self and family enrollment will remain in effect.

**How Long Must the Employee Keep the Self and Family Enrollment?**

If the court/admin order doesn't specify a time limit on the coverage, the employee must keep the self and family enrollment until the last child marries or reaches age 22.

If the court/admin order states that the coverage must continue until a specific age--and that age is below age 22--the employee may cancel the coverage or change to self only as follows:

***If the Employee Participates in Premium Conversion***

The employee may cancel or change to self only during the next open season after the last child reaches the age stated in the court/admin order.

***If the Employee Waived Premium Conversion***

The employee may cancel or change to self only at any time after the last child reaches the age stated in the court/admin order.

If the court/admin order states that the coverage must continue until a specific age--and that age is over age 22--the coverage must continue until the last child reaches age 22. Unless they meet the requirements for being "incapable of self support," children cannot continue FEHB coverage beyond age 22, regardless of what the court/admin order says.

**What Happens When the Employee Retires?**

An employee who is subject to a court/admin order to provide health benefits for his/her children and who is eligible to carry FEHB coverage into retirement must continue the self and family enrollment after retirement. As long as the court/admin order remains in effect, he/she cannot cancel coverage, change to self only, or change to an HMO that doesn't provide full benefits where the children live.

For further information or assistance, you may contact Sherri Collier or Janette Nolde at the Civilian Personnel Advisory Center, telephone 531-4020.

***//ORIGINAL SIGNED//***

DONALD R. MALLETT

Director, Civilian Personnel  
Advisory Center

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